

# WORLD TRADE ORGANIZATION

S/WPGR/4  
26 October 1999

(99-4639)

---

## Working Party on GATS Rules

### REPORT OF THE WORKING PARTY ON GATS RULES TO THE COUNCIL FOR TRADE IN SERVICES

1. The Working Party on GATS Rules held six formal meetings in 1999 (S/WPGR/M/20-25). In each meeting, the Working Party considered all three negotiating mandates: emergency safeguard measures under Article X; government procurement under Article XIII; and subsidies under Article XV.

#### Negotiations on emergency safeguard measures under Article X of the GATS

2. Differing views continued to be expressed by Members on the desirability, feasibility and possible form of an emergency safeguard mechanism in services. The contributions made and the issues thought to require further consideration are recorded in document S/WPGR/W/27/Rev.2. In recent meetings, Members focused in particular on: (i) possible indicators to underpin trade-related injury concepts (an informal Secretariat paper, Job No. 5294 gives an overview of such indicators, drawing on a previous submission by Venezuela, Job No.2860); (ii) basic disciplines which would need to govern any future safeguard action, regardless of the mechanism which may finally be adopted (including MFN treatment, advance notice, temporary and degressive application, clear specification of the measures envisaged, protection of "acquired rights" of established suppliers); and (iii) the range of applicable measures and other relevant issues.

3. On recommendation by the Working Party, the Council for Trade in Services decided in June 1999 to extend the negotiations on the question of emergency safeguard measures until 15 December 2000; the results shall enter into effect on a date not later than the date of entry into force of the results of the next round of mandated services negotiations (S/L/73).

#### Negotiations on government procurement under Article XIII of GATS

4. Discussions focused on the range of activities and entities which may be covered by Article XIII of GATS. An informal paper by Japan contains a typology of such activities (Job No. 2867), and a Secretariat Note compiles background information on the interpretation of procurement-related provisions under GATT which might be relevant for the interpretation of similar GATS provisions (S/WPGR/W/29). Recently, Members started giving thought to the scope and depth of procurement disciplines, if any, which might be agreed upon at the end of the negotiating process.

#### Negotiations on subsidies under Article XV of GATS

5. Hong Kong, China made a submission under the information exchange programme mandated under Article XV (S/WPGR/W/16/Add.13), adding to two other submissions received in 1997. A proposal that Members provide information on subsidy-related access problems encountered in foreign markets is being considered by Members. Discussions have continued on the potential for

subsidies, which are extended under one mode (e.g. investment aid under mode 3) to distort trade under other modes, and the effects on trade of export subsidies in services.

---